

Iran: Economic Significance of Tabriz

Tabriz, a city of approximately 600,000 in northwest Iran, is an important transportation, manufacturing, and agricultural center. The short-run effect of the recent rioting in Tabriz is most likely to be felt on Iran's non-maritime trade. Foreign shippers were already experiencing difficulty arranging land transportation of goods to Iran even before the rioting. The rail link at Jolfa on the border with the USSR was reported closed until 10 December. Truck carriers were also reluctant to enter Iran, and the recent events should reinforce these feelings. Over the longer run, the further disruption of economic production in the important plants in Tabriz will be felt by the economy. Even if the crises quiets down soon, the new Islamic government will have to worry about having a major manufacturing center in such an insecure area. [REDACTED]

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Importance to Transport

Iran's only rail link with the USSR -- via Jolfa -- passes through Tabriz. In addition, the railroad from Turkey joins this main line northwest of the city at Sufian. Iran's major highway link with Europe -- via Turkey -- also passes through the city. A State Department officer observed that in 1977, 600 to 800 tractor-trailor transports a day used this highway, but that the number had shrunk to about 200 a day in October of this year. This volume had reportedly fallen to 70 per day in mid-November. Except for freight passing through Astara on the rail to highway container link with the USSR, the bulk of Iran's non-maritime imports (about 25 percent of total imports) passes through Tabriz. [REDACTED]

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Production Activities

Tabriz is also a major heavy engineering and manufacturing center for Iran. At last reports, which pre-date the current crisis all manufacturing facilities in Tabriz were reported to be operating at less than 50 percent of normal production. These operations may have been at least temporarily suspended

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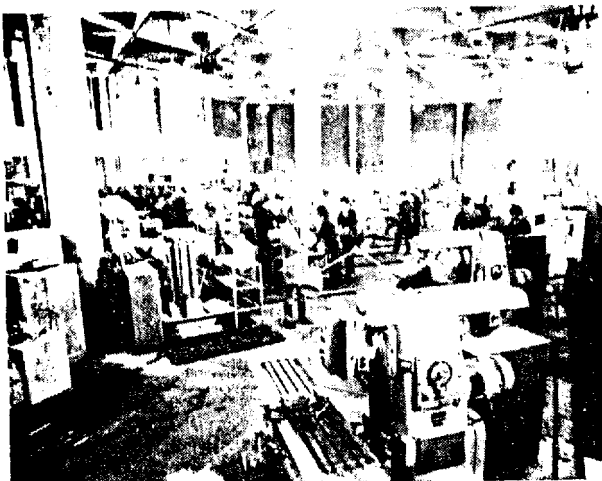
by the current unrest. [REDACTED]

The Iran Tractor Manufacturing Company -- a joint venture with Massey-Ferguson and the only tractor plant in Iran -- has a reported capacity of 20,000 tractors a year and 30,000 (10,000 surplus) Perkins engines. Joint venture operations in the city with Daimler-Benz, Dorman, and British Leyland have the rated capacity to supply the entire diesel engine needs for Iran. The Daimler-Benz plant has a capacity of approximately 20,000 engines a year and is reported to be one of the most efficient plants in Iran. A large ball bearing plant (with SKF of Sweden) and major machine tool manufacturing facilities are also located in Tabriz. In addition to tractors and diesel engines, plants in Tabriz produce machine tools, compressors, pumps and valves, small-scale drilling machines, electric motors, and fork lift trucks. [REDACTED]

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Center of Agriculture

Tabriz is also in a major agricultural region of Iran; climatic conditions in this area are among the most favorable in the country. East Azarbayjan, of which Tabriz is the provincial capital, produced about 10 percent of Iran's wheat and barley, and about 15 percent of its potatoes in recent years [REDACTED]



Tabriz Machine Manufacturing Plant



Iran Tractor Manufacturing Plant

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Next 3 Page(s) In Document Denied